

BILL # HB 2615

TITLE: government transparency; political subdivisions

SPONSOR: Montenegro

STATUS: As Introduced

PREPARED BY: Dan Hunting

FISCAL ANALYSIS

Description

The bill requires all local governments in the state to submit records of public receipts and expenditures to the Arizona Department of Administration (ADOA) for inclusion in a database of state finances. Local governments are defined in the bill as all counties, cities, towns, community college districts, school districts, and special taxing districts.

Estimated Impact

Although this bill does not change the requirements of the database of state expenditures currently required under A.R.S. § 41-725, it does require that the state's database store and display data from other governmental subdivisions. The inclusion of transaction data from over 500 local governments will impose unknown costs.

ADOA did not have a specific estimate of this potential HB 2615 impact.

Analysis

A.R.S. § 41-725 requires the creation of a publicly accessible expenditure database of state revenues and expenditures by January 1, 2011. HB 2615 adds the requirement that local governments also place their financial records into this database. Transaction records will be maintained in the database for at least 10 years.

ADOA is currently planning a database that would implement most provisions of A.R.S. § 41-725 and is assessing funding options for the project. This bill will impose new and unknown costs to store additional data. These costs may be in the form of personnel expenses for ADOA to receive and process the data, and hardware expenses to store the data.

Local Government Impact

The cost to cities, towns, counties, and districts will vary according to each jurisdiction's size, complexity, and current state of technical infrastructure. ADOA will prescribe the format of data that local governments will provide for inclusion in the database. Those governments whose transaction data exists in a form that is compatible with the format set by ADOA may incur little cost in complying with this bill. Local governments may need to alter their accounting systems so that transaction information can be reported to ADOA in a standard format.

The Arizona League of Cities and Towns has not estimated the bill's costs to their members, but has expressed concern that it could be significant.